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News Bulletin: THE NEW YORK TIMES WIRE SERVICE

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HOLLYHOOD: Md.--John R. Horton: NHO RESIGNED FROM THE CIA AS SENIOR LATIN AMERICAN ANALYST IN PROTEST AFTER DIRECTOR MILLIAM J. CASEY ORDERED CHANGES IN AN INTELLIGENCE REPORT ON MEXICO: SAYS THE AGENCY 'PAYS A PRICE' NHEN IT'S BOSS LETS IDEOLOGY INTERFERE WITH IT'S OBJECTIVITY.

THE CHANGES RESULTED IN A REPORT THAT CONFORMED WITH THE ADMINISTRATION'S CENTRAL AMERICA POLICY; BUT THAT OFFERED A GLOCHIER PICTURE OF MEXICO'S POLITICAL AND ECONOMIC CLIMATE THAN MR. HORTON AND OTHER INTELLIGENCE ANALYSTS THOUGHT THE FACTS WARRANTED; HE SAID.

THE CASEY VIEW REFLECTED: Mr. HORTON SAID: A "STRONG IDEOLOGICAL LEANING" NITHIN THE ADMINISTRATION THAT "MEXICO IS NEXT" IF THE ADMINISTRATION FAILED TO STOP THE "MARXISTS-LENINISTS IN NICARAGUA AND EL SALVADOR."

Mr. Horton warned that such a politically notivated change in some future intelligence estimate hight lead to "something really serious" by misleading the president.

THE CONTROVERSY: SAID MR. HORTON: ILLUSTRATES THE POTENTIAL VULNERABILITY OF THE CIA TO POLITICAL INFLUENCE BY A DIRECTOR WHO IS ALSO INVOLVED IN HIGH-LEVEL POLICY-MAKING: ESPECIALLY ON A SENSITIVE ISSUE LIKE CENTRAL AMERICA.

"The director should be protecting the integrity of the agency;" said Mr. Horton. "Casey probably thinks he is. I don't think he gets up in the horning and says I'm going to go over there and politicize the agency. And in fact; he has done some good," in rebuilding the CIA and its funding.

Buts HE SAIDS THE AGENCY "PAYS A PRICE" IN HAVING A POLICY-MAKING DIRECTOR WHO IMPINGES ON THE LONGHELD OBJECTIVITY AND INDEPENDENCE OF THE AGENCY BY REDRAFTING A HAJOR INTELLIGENCE ESTIMATE.

Mr. Hortons a courtly Hiddle Hesterner of 64 and a former veteran CIA operations officers spoke about the ordeal in a tho-hour interviews his first extended discussion of his resignation in May since it became public three neeks ago.

MEARING A PLAID SHIRT AND CORDUROYS: HE SAT AT A NOODEN BENCH ON THE DECK OF A HODERN HOUSE HE BUILT HIMSELF A FEW YEARS AGO ON A BLUFF OVERLOOKING THE PATUXENT. BERMSTEIN'S MASS PLAYED ON A RADIO INSIDE THE HOUSE. AN AMERICAN FLAG FLUTTERED IN THE MILD BREEZE. AN OSPREY HE IDENTIFIED GLIDED OVERHEAD.

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Mr. Horton kept his resignation from the CIA quiet through the summer as he tended his vineyard and shah and sailed in the Patuxent. But it became public after he discussed the experience in a speech to the World Affairs Council in Portland; Me. A son and his hife live there and invited him to speak on this subject.

HIS OFF-THE-RECORD SPEECH IN WHICH HE DISCUSSED HIS EXPERIENCE OVER ALMOST A YEAR AS TOP LATIN AMERICAN ANALYST WAS SUBMITTED FOR CLEARANCE TO THE CIA AS REQUIRED BY LAW; BUT IT WAS NOT CENSORED.

Mr. Horton said that before ordering the changes in the intelligence report Mr. Casey lobbied strengously among the government's intelligence officials in an effort to hin their support for a report on Mexico that hould conform to Administration policy. He 'Leaned on us to come out with a glockier assessment's of the economic and political situation in Mexico than the material gathered by the government's intelligence community justified. Mr. Horton said.

Mr. Horton served as chairman of the National Intelligence Council; composed of intelligence experts from the CIA; the State and Defense Departments and other agencies during the months-long drafting of the Mexico report.

Mr. Casey decided to change the report after he was unsuccessful in persuading these intelligence analysts and a higher-level board of top experts to adopt his vienpoint.

EVENTUALLY: THE MEMBERS OF THIS HIGHER-LEVEL BOARD: IN A FINAL REVIEW OF THE REPORT: AGREED TO ACCEPT THE CHANGED VERSION: NR. HORTON SAID: RATHER THAN CONTINUE TO COLLIDE WITH MR. CASEY: WHO IS AN INFLUENTIAL FIGURE AT THE WHITE HOUSE. THE REPORT REMAINS CLASSIFIED.

Mr. Caseys who was the Reagan Campaign Hanager in 1980; was not available for an interview; the CIA said. An agency spokeshan; Patti Volzs said "an intelligence estimate is a difficuly subject requiring give and take among analysts and you are going to have disagreements." In the ends she said the intelligence estimate is the director's responsibility to determine.

Ms. Yolz said there had been "considerable renriting;" but she said she hould "not get into the question" of whether Mr. Casey has alone in advocating the controversial passages.

Mr. Horton; in the interview; spoke highly of some of the CIA's former directors; including Richard Helms and George Bush; and stated; "I don't have a guarrel with the CIA." He called himself "fairly conservative" and voiced support for Reagan Administration objectives in El Salvador and Nicaragua.



"The real reason for resigning was not to seek martydom or make a big splash; but simply to say this isn't proper; "He said. "Mr. Casey really shouldn't do this and you can't just get me to nod and say okay you changed it and that was your preogative. It is his prerogative; but I think it was wrong."

IRONICALLY: IT WAS MR. CASEY WHO HAD INVITED MR. HORTON EARLY LAST YEAR TO COME OUT OF RETIREMENT TO BE THE AGENCY'S CHIEF LATIN AMERICAN ANALYST. MR. HORTON HAD BEEN WITH THE CIA FROM 1948 TO 1975 IN THE FAR EAST: CENTRAL AMERICA AND MASHINGTON.

"Casey has strong feelings about how the world looks;" said Mr. Horton. "That's heat happened in Mexico. He felt this is the way I hant this estimate to read on Mexico because here is the way it is and the fact a lot of us didn't agree with him didn't deter him."

THE CASEY VIEW STEMMED: MR. HORTON: SAID: FROM A "A STRONG IDEOLOGICAL PUSH", TOWARD FINDING A WIDESPREAD SOVIET PERIL IN CENTRAL AMERICA AS WELL AS A DESIRE BY MR. CASEY IN THE ROLE OF ADMINISTRATION POLICY ADVISER TO HAVE THE ESTIMATE FRAMED IN SUCH A WAY THAT IT COULD BE USED TO JUSTIFY WHATEVER POLICY THE ADMINISTRATION PURSUED.

Administration relations with Mexico have been strained because of Mexico's friendly attitude toward Cuba and Nicaragua and a feeling by U.S. officials that Mexico had adopted domestic policies that allowed a debt crisis to develop the years ago. Mr. Casey apparently manted a tough intelligence report as a basis for applying pressure on Mexico to support United States policies in Central America.

BUT SINCE A MEETING BETWEEN PRESIDENT REAGAN WITH PRESIDENT MIGUEL DE LA MADRID OF MEXICO IN MAY: THE MONTH MR. HORTON LEFT THE CIA: THE ADMINISTRATION HAS NOTED A SOMEWHAT MORE ACCOMMODATING ATTITUDE BY MEXICO.

Mr. Horton said Mr. Casey "did not like the estimate all along the hay and he put a fair amount of pressure on us to include things that he didn't think here justified;" said Mr. Horton.

AFTER THE BOARD OF TOP INTELLIGENCE OFFICERS MET AND KEPT THE BASIC REPORT AS NRITTEN BY INTELLIGENCE EXPERTS; INCLUDING MR. HORTON; MR. CASEY "HAD SOMEONE RENRITE SOME OF THE KEY PARTS OF THE ESTIMATE;" SAID MR. HORTON.

"THAT WAS NHAT I OBJECTED TO;" HE SAID. "THE ESTIMATE ITSELF PROBABLY DOESN'T MATTER A GREAT DEAL AS TO WHAT WAS SAID OR WASN'T SAID. BUT IT WAS THE PROCESS I OBJECTED TO; THE PRESSURE I OBJECTED TO."

Mr. Casey "had someone call all the members of the (intelligence) board ahead of time and say that at this meeting (to review the report) he manted to get people to state what they thought the odds here for a complete collapse of Mexico; 13 said Mr. Horton.

"In the voting around the table; by and large people didn't think the odds here great for a complete collapse;" said Mr Horton. But Mr. Casey concluded nevertheless that the report did not reflect "The need for alerthess and vigilance on the government's part.

"I THOUGHT WE PRETTY WELL COVERED THE POSSIBILITIES WHEN WE SAID
WE NEEDED WATCHING VERY CAREFULLY; BUT HE WANTED THE ESTIMATE REDONE
WHICH RESULTED IN HAVING IT CLOSER TO WHAT HE WANTED IN THE FIRST
PLACE. THE FINAL LANGUAGE; I FELT; WAS A BOW TO BIAS."

HAILE FAULTING MR. CASEY FOR REDRAFTING THE REPORT; MR. HORTON SAID "CASEY IS NOT THE CAUSE OF OUR PROBLEMS." THE BASIC PROBLEM; MR. HORTON SAID; IS THE "INHERENT TENSION" BETHEEN POLITICIANS WHO PUT ON PRESSURE TO GET CIA SUPPORT FOR A CONTROVERSIAL POLICY AND THE AGENCY WHICH SHOULD REHAIN DETACHED.

"INEVITABLY YOU ARE GOING TO HAVE THIS SORT OF CONFLICT BETWEEN THE INTELLIGENCE PEOPLE AND THE POLICYHAKERS; " HE SAID.

HE SUGGESTED THAT SOME "INFORMAL" PROCEDURE BE ADOPTED INVOLVING TOP INTELLIGENCE EXPERTS INSIDE AND OUTSIDE GOVERNMENT TO PROTECT THE PROCESS OF PREPARING THE INTELLIGENCE ESTIMATES FROM POLITICAL INTERFERENCE.

(Rovance for Sunday October 21)

END HORTON

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